

# 3Q19

# Earnings Release

2019.11.08

Webzen Inc.



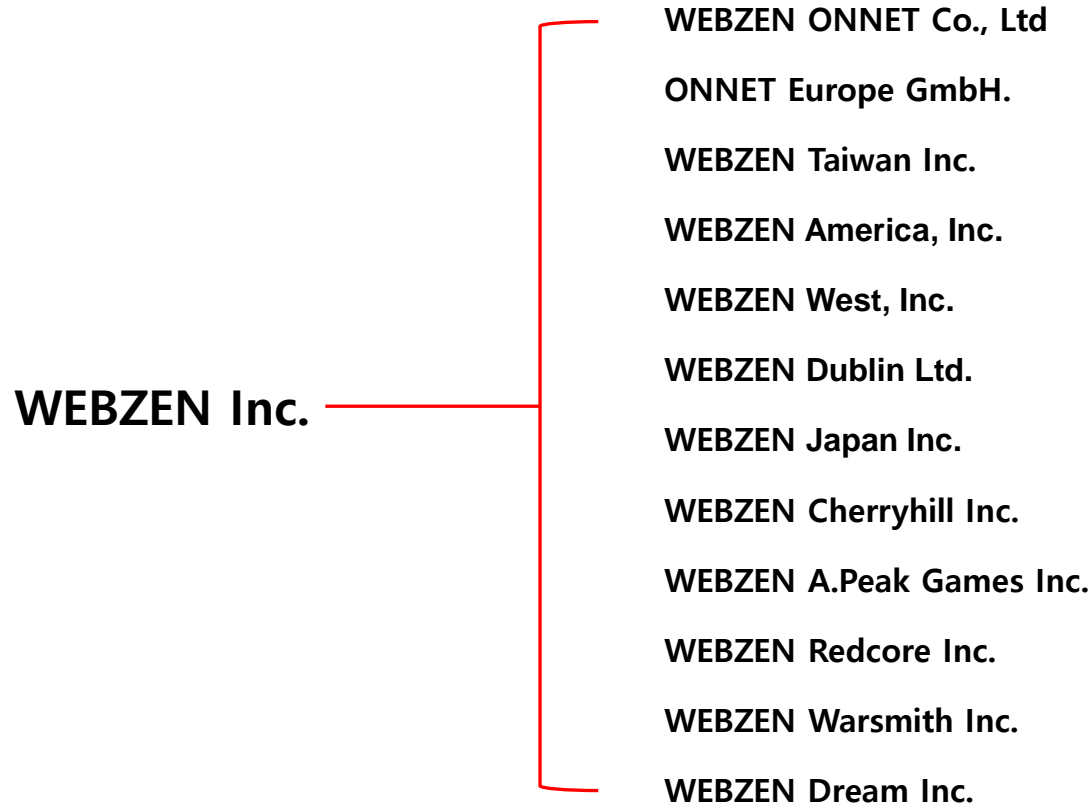
Some contents may reflect forward-looking statements and have been prepared based on the expectations according to the dates on which these statements were made.

There can be no assurance that the forward-looking statements used by WEBZEN are correct as results can differ from expectations.

Therefore WEBZEN will not be responsible for individual investment decisions based solely on this material.

WEBZEN disclaims any duty to update the information in this material to reflect future events or circumstances.

The followings are the subsidiaries of WEBZEN Inc.



# Summary of Financial Results



[Consolidated]

(Unit : KRW million)

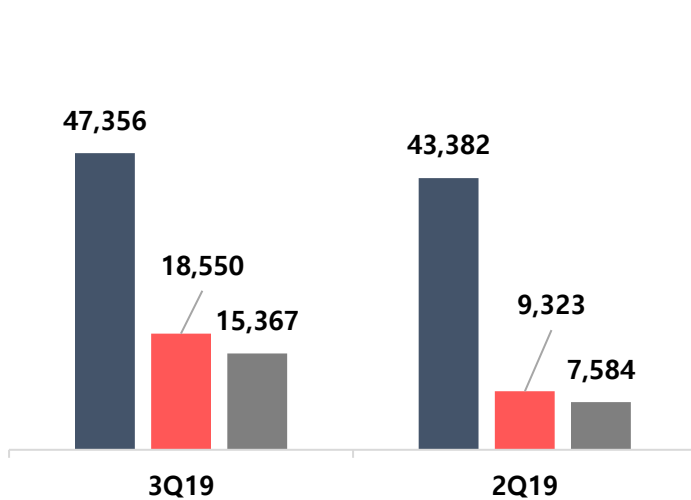
구 분	3Q19	2Q19	QoQ	3Q18	YoY
Revenue	47,356	43,382	9%	63,930	-26%
Game Sales	47,351	43,378	9%	63,370	-25%
Others	5	4	23%	560	-99%
Operating Expenses	28,807	34,059	-15%	43,988	-35%
Operating Profit	18,550	9,323	99%	19,941	-7%
Income before Tax	21,177	10,684	98%	20,933	1%
Income Tax Expenses	5,810	3,100	87%	5,540	5%
Net Income	15,367	7,584	103%	15,393	-0.2%
Other Comprehensive Income	(180)	321	-	(49)	-
Total Comprehensive Income	15,187	7,906	92%	15,343	-1%

# Result Analysis(Consolidated)

- Revenue 47.4b (QoQ ↑ 9%, YoY ↓ 26% based on Consolidated)
- Operating Profit 18.5b (QoQ ↑ 99%, YoY ↓ 7% based on Consolidated)
- Net Income 15.4b (QoQ ↑ 103%, YoY ↓ 0.2% based on Consolidated)

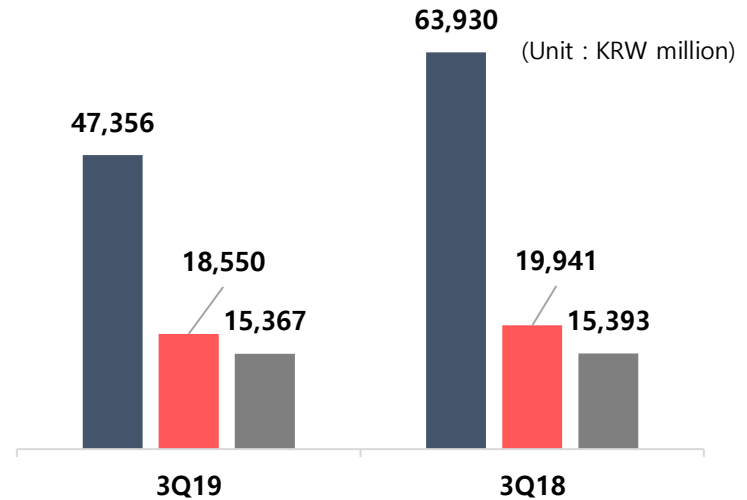
### QoQ (Consolidated)

■ Revenue ■ Operating Profit ■ Net Income



### YoY (Consolidated)

■ Revenue ■ Operating Profit ■ Net Income



# Sales Breakdown(Consolidated)

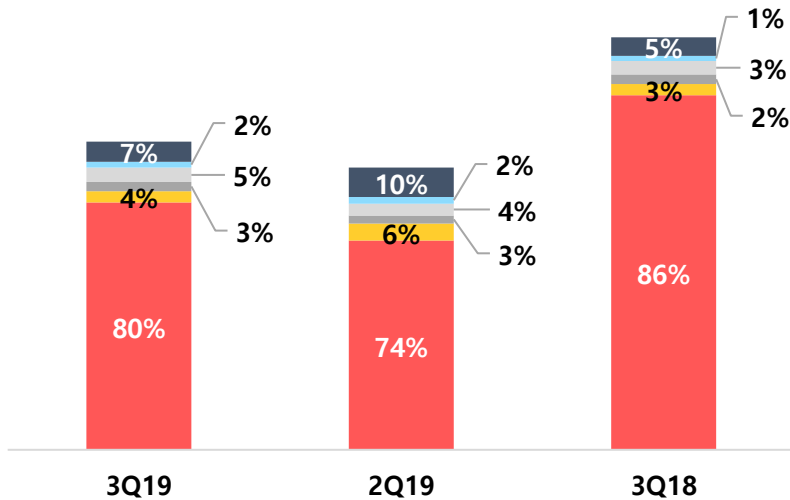


- MU            38.0b    (QoQ ↑ 18%, YoY ↓ 30%    based on consolidated)
- R2            1.8b    (QoQ ↓ 33%, YoY ↑ 4%    based on consolidated)
- ShotOnline    1.4b    (QoQ ↑ 13%, YoY ↓ 4%    based on consolidated)
- Metin2        2.2b    (QoQ ↑ 20%, YoY ↑ 4%    based on consolidated)

## Sales breakdown

■ MU ■ R2 ■ ShotOnline ■ Metin2 ■ Webzen.com(\*) ■ Others

(Unit : KRW million)



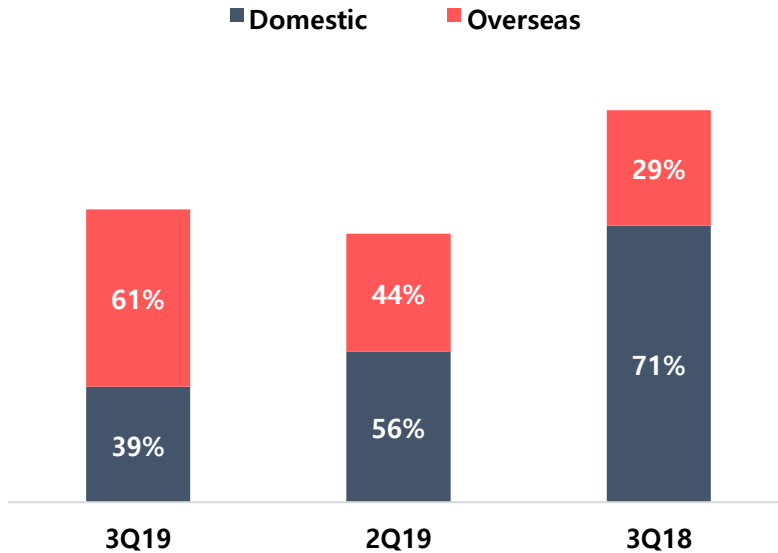
	3Q19	2Q19	3Q18
<b>Total</b>	<b>47,351</b>	<b>43,378</b>	<b>63,370</b>
MU(*)	37,988	32,148	54,489
R2	1,759	2,606	1,697
ShotOnline	1,423	1,262	1,480
Metin2	2,178	1,814	2,088
Webzen.com	914	1,004	758
Others	3,090	4,544	2,858

(\*) MU includes the sales of MU IP franchising games.  
(such as MU Origin2, 精灵盛典, 奇迹觉醒, 大天使之剑H5 etc.)

# Sales Breakdown(Consolidated)

- Domestic Sales 18.7b (QoQ ↓ 23%, YoY ↓ 58% based on consolidated)
- Overseas Sales 28.7b (QoQ ↑ 51%, YoY ↑ 54% based on consolidated)
- Portion of Overseas QoQ ↑ 17%P, YoY ↑ 32%P based on consolidated

## Sales breakdown



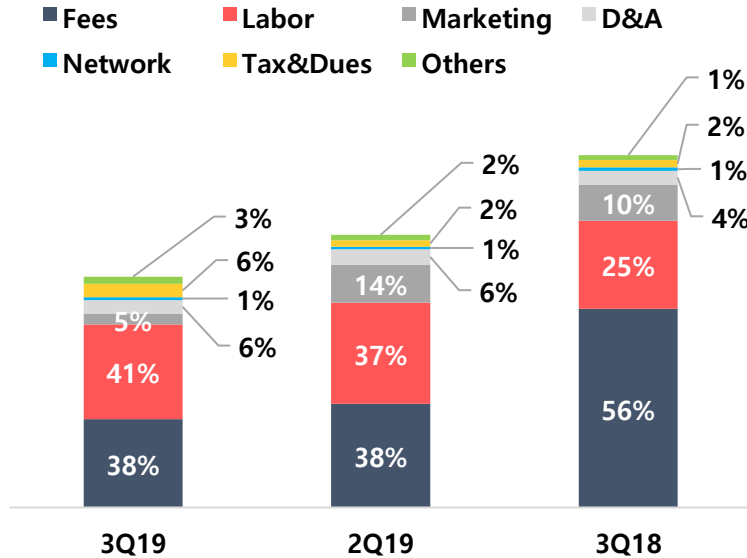
(Unit : KRW million)

	3Q19	2Q19	3Q18
<b>Total</b>	<b>47,351</b>	<b>43,378</b>	<b>63,370</b>
Domestic	18,671	24,365	44,697
Overseas	28,680	19,013	18,673

# Expenses Breakdown(Consolidated)

- Operating Expenses 28.8b (QoQ ↓ 15%, YoY ↓ 35% based on consolidated)
  - Fees 11.0b (QoQ ↓ 15%, YoY ↓ 56% based on consolidated)
  - Labor tendencies 11.8b (QoQ ↓ 6%, YoY ↑ 8% based on consolidated)
  - Marketing 1.4b (QoQ ↓ 71%, YoY ↓ 70% based on consolidated)

## Expenses Breakdown



(Unit : KRW million)

	3Q19	2Q19	3Q18
<b>Total</b>	<b>28,807</b>	<b>34,059</b>	<b>43,988</b>
Fees	11,015	12,961	24,819
Labor	11,836	12,632	10,984
Marketing	1,354	4,717	4,536
D&A	1,702	1,940	1,720
Network	362	305	423
Tax & Dues	1,664	812	904
Others	873	694	604



# Summary of F/S(Consolidated)



(Unit : KRW million)

B/S	2019.09.30	2018.12.31
Current Assets	268,202	283,700
Non-Current Assets	138,659	113,089
<b>Total Assets</b>	<b>406,861</b>	<b>396,789</b>
Current Liabilities	45,658	67,896
Non-Current Liabilities	14,086	14,955
<b>Total Liabilities</b>	<b>59,745</b>	<b>82,851</b>
Contributed Equity	17,655	17,655
Capital Surplus for Equity	150,002	149,968
Accumulated Other Comprehensive Income for Equity	(414)	(532)
Elements of Other Stockholder's Equity	(48,718)	(48,718)
Retained Earnings	228,414	195,130
Non-Controlling Interests	177	435
<b>Total Equities</b>	<b>347,116</b>	<b>313,939</b>
<b>Total Liabilities and Equities</b>	<b>406,861</b>	<b>396,789</b>

# Summary of F/S(Consolidated)



(Unit : KRW million)

I/S	3Q19	2Q19	3Q18
Revenue	47,356	43,382	63,930
Game Sales	47,351	43,378	63,370
Others	5	4	560
Operating Expenses	28,807	34,059	43,988
Operating Profit	18,550	9,323	19,941
Profit (loss) before tax	21,177	10,684	20,933
Corporate Tax	5,810	3,100	5,540
Net Income	15,367	7,584	15,393
Other Comprehensive Income	(180)	321	(49)
Total Comprehensive Income	15,187	7,906	15,343
Controlling Interests	15,318	8,028	15,378
Non-Controlling Interests	(131)	(122)	(34)

**Thank you**